

Mr. Steven A. Toelle
Director, Nuclear Regulatory Affairs
U. S. Enrichment Corporation Inc.
6903 Rockledge Drive
Bethesda, MD 20817-1818

SUBJECT: LICENSE APPLICATION FOR THE AMERICAN CENTRIFUGE LEAD CASCADE
FACILITY - ACKNOWLEDGMENT OF RECEIPT (TAC NOS. L31979 and L31980)

Dear Mr. Toelle:

We have received your application, including an Environmental Report and Integrated Safety Analysis (ISA) Summary, dated February 11, 2003, to possess and use, for five years, special nuclear, source, and by-product material in the American Centrifuge Lead Cascade Facility (Lead Cascade). The Lead Cascade, which is to be located at the Portsmouth Gaseous Diffusion Plant in Piketon, Ohio, will possess up to 250 kilograms of uranium hexafluoride and will consist of up to 240 operating, full-scale centrifuge machines. We have completed our administrative review of your application and have found it acceptable for technical review.

We note that during our initial processing, one technical omission was identified. The ISA Summary indicated that a seismic event with a return period of 1,000 years is "highly unlikely" because, the design basis earthquake that is applicable to the facility has a return period of 1,000 years. Consequently, the likelihood of accident sequences that could be initiated by earthquakes of larger magnitudes (less frequent than 1,000-year earthquakes) were not analyzed. According to 10 CFR 70.65(b)(4), the ISA Summary must include "information that demonstrates ... compliance with the performance requirements of 10 CFR 70.61..." This may involve a qualitative discussion of the "high consequence" and "intermediate consequence" accident sequences that could be initiated by earthquakes with lower frequencies (higher magnitudes) than 1/1,000 years and a characterization of the likelihood of injuries or stay-times of personnel which show that even if an earthquake with a higher magnitude than a 1,000-year seismic event occurred, the realistic likelihoods of exceeding the "high consequence" and "intermediate consequence" performance requirements of 10 CFR 70.61 would be less than 1/100,000 and 1/10,000 per accident sequence per year, respectively. Please address the identified omission and submit revised pages of the ISA Summary within 30 days of the date of this letter, so that we can also conduct our technical review of your request in this area. Please note that our technical review may identify other omissions in the submittal or technical issues that may require additional information. Please reference the assigned TAC numbers (L31979 for our safety and safeguards review and L31980 for our environmental review) in any future correspondence associated with this request.

Per your request, and based on our projection of administrative and technical review schedules, we anticipate completing our review by February 2004. This date could change depending on the findings of our technical review or other factors. We will promptly communicate any significant changes to this schedule.

A copy of your correspondence has been forwarded to our License Fee and Accounts Receivable Branch, Office of the Controller, who will contact you separately for billing if your request is subject to full cost recovery.

If you have any questions regarding these actions, I can be reached at (301) 415-8113.

Sincerely,

/RA/

Yawar H. Faraz, Sr. Project Manager
Special Projects Section
Special Projects and Inspection Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket 70-7003

cc: William Szymanski/DOE Headquarters
James Curtiss/W&S
Mario Robles/USEC
George Dials/LES
Randall DeVault/DOE Oak Ridge
Dan Minter/SODI
Bob Taft/Governor Ohio
Mike DeWine/Senator Ohio
George V. Voinovich/Senator Ohio
Rob Portman/Congressman Ohio
Bob Ney/Congressman Ohio

A copy of your correspondence has been forwarded to our License Fee and Accounts Receivable Branch, Office of the Controller, who will contact you separately for billing if your request is subject to full cost recovery.

If you have any questions regarding these actions, I can be reached at (301) 415-8113.

Sincerely,

/RA/

Yawar H. Faraz, Sr. Project Manager
Special Projects Section
Special Projects and Inspection Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket 70-7003

cc: William Szymanski/DOE Headquarters
James Curtiss/W&S
Mario Robles/USEC
George Dials/LES
Randall DeVault/DOE Oak Ridge
Dan Minter/SODI
Bob Taft/Governor Ohio
Mike DeWine/Senator Ohio
George V. Voinovich/Senator Ohio
Rob Portman/Congressman Ohio
Bob Ney/Congressman Ohio

DISTRIBUTION: Docket: 70-7003 ADAMS - PUBLIC NMSSr/f FCSSr/ SPIBr/f
DHartland,RIII TCombs,OCA TJohnson ELeeds RPierson DSkay
MChatterton TPham,NSIR DAyers,RII WSmith SGagner,OPA
BSmith,EDO SFlanders,DWM CSulte,DWMDBrown RHannah,RII
RTadessee,DWM RVirgilio,OPA DSeymour,RIISSteele SWoods,DWM
KEverly,NSIR VMitlung,RIII PLohaus,STP NGarcia SLewis,OGC
LClark,OGC HGraves,RES RWescott WTroskoski Hearing File

ADAMS Accession No. **ML030720006**

G:\FCSS\SPBIYHF\AcknowledgementLtr.wpd *SEE PREVIOUS CONCURRENCE

OFC	SPIB		SPIB		SPIB	
NAME	YFaraz		LGross		JGitter	
DATE	3 / 13 /03		3 / 13 /03		3/ 13 /03	

C = COVER

E = COVER & ENCLOSURE

N = NO COPY

OFFICIAL RECORD COPY